



## Rural Transformation and the Emergence of Urban Centres in Tanzania

Lazaro, Evelyne; Agergaard, Jytte; Larsen, Marianne Nylandsted; Makindara, Jeremiah ;  
Birch-Thomsen, Torben

*Publication date:*  
2017

*Document version*  
Publisher's PDF, also known as Version of record

*Citation for published version (APA):*  
Lazaro, E., Agergaard, J., Larsen, M. N., Makindara, J., & Birch-Thomsen, T. (2017). *Rural Transformation and the Emergence of Urban Centres in Tanzania*. Department of Geosciences and Natural Resource Management, Faculty of Science, University of Copenhagen. IGN Report Vol. October 2017



# Rural Transformation and the Emergence of Urban Centres in Tanzania

Evelyne Lazaro, Jytte Agergaard, Marianne Nylandsted Larsen, Jeremia Makindara  
and Torben Birch-Thomsen

**Title**

Rural Transformation and the Emergence of Urban Centres in Tanzania

**Authors**

Evelyne Lazaro, Jytte Agergaard, Marianne Nylandsted Larsen, Jeremia Makindara and Torben Birch-Thomsen

**Publisher**

Department of Geosciences and Natural Resource Management University of Copenhagen  
Rolighedsvej 23  
DK-1958 Frederiksberg C - Tel. +45 353 31500  
ign@ign.ku.dk - www.ign.ku.dk

**Responsible under the press law**

Claus Beier

**Citation**

Lazaro, E, Agergaard, J, Larsen, MN, Makindara, J & Birch-Thomsen, T. 2017.  
Rural Transformation and the Emergence of Urban Centres in Tanzania.  
IGN Report, October 2017. Department of Geosciences and Natural Resource Management,  
University of Copenhagen, Denmark.

**ISBN**

978-87-7903-771-7 (web)

**Cover**

Kent Pørksen

**Cover photo**

Torben Birch-Thomsen

**The report is available at**

[www.ign.ku.dk](http://www.ign.ku.dk)

**Citation allowed with clear source indication**

Written permission is required if you wish to use the name of the institute and/or part of this report for sales and advertising purposes



# Rural Transformation and the Emergence of Urban Centres in Tanzania

Evelyne Lazaro (1), Jytte Agergaard (2), Marianne Nylandsted Larsen (2), Jeremia Makindara (1) and Torben Birch-Thomsen (2)

(1) Sokoine University (Tanzania), (2) University of Copenhagen (Denmark)

10.10.17

## Abstract

Urbanization and rural transformation in the Global South can be conceptualized and explored as integrated processes. Recent academic debates have discussed how rural places are changing in close relation to economic and social processes where the distinction between rural and urban livelihoods and economic dynamics are changing. In this paper we aim at understanding how social and spatial transformation of dynamic rural regions is driving spatial concentration and urbanization. We are particularly concerned with the processes of spatial change, verbalized as the *emergence* of urban centres in rural areas. Emerging Urban Centers (EUCs) are characterized by rapid population growth related to continuous and diverse flows of migrants from rural hinterlands and more detached rural locations. Many of these centers are also characterized by economic dynamics related to agricultural sector activities that have been stimulated by Tanzanian market liberalizations and its long term effects on private enterprise. The paper is based on a study of four EUCs in Tanzania (Ilula, Igowole, Madizini and Kibaigwa) and seeks to answer three major research questions: 1) What economic and spatial trends, including national policies, have formed the pathway for rural transformation and early densification towards the emergence of urban centers in Tanzania? In answering this we outline the roles of villagization and state driven economic policies, followed in the early 1990s by the liberalization that leads to a new intensification of crop cultivation and crop specific value chain dynamics. 2) What characterize the relationship between value chain dynamics and rural densification? This is explored by an analysis that focuses on two urban centers that have developed around agro-processing, and two centers that have developed as market places for sale of a dominant crop. In all four cases, new employment opportunities have been created in the value chain sequence of economic activities and the influx of migrant works have increased significantly. 3) How do migration and investments contribute to the consolidation of EUCs as places of attraction beyond the crop dynamics? In doing this we examine how EUCs have become places of attraction that act as important migrant destination for short term and long term migrants. Related to this we also explore how local economic dynamics diversify and form new specialization that create opportunities for investments and investors, of whom many are migrants. This development has been supported by structural changes within the EUCs making them important administrative and service centers. The paper ends by discussing how the intertwinement of rural transformation and urbanization processes form spatial densification in rural areas and towards the conclusion it is suggested that these spatial transformations call for adequate governance that acknowledge the EUCs' urban reality.

# Table of content

<b>INTRODUCTION .....</b>	<b>4</b>
<b>RURAL TRANSFORMATION AND SMALL TOWN DEVELOPMENT .....</b>	<b>5</b>
<b>STUDYING EUCS IN DYNAMIC AGRICULTURAL REGIONS .....</b>	<b>9</b>
<b>RURAL TRANSFORMATION AND CROP DYNAMICS .....</b>	<b>13</b>
Tracking pre-1990s crop and village dynamics.....	13
Madizini.....	13
Kibaigwa.....	14
Ilula.....	15
Igowole.....	15
<b>Crop-related economic dynamics .....</b>	<b>17</b>
Agro-processing centres.....	17
Marketplace centres .....	19
<b>Consolidation of the emerging urban centres.....</b>	<b>21</b>
Emerging urban centres as migrant places.....	21
EUCs as places of attraction beyond the dominant crops .....	23
<b>INTERTWINEMENT OF RURAL TRANSFORMATION AND URBANIZATION .....</b>	<b>26</b>
<b>REFERENCE LIST .....</b>	<b>29</b>

# Introduction

Academic and policy debates over sub-Saharan Africa's rapid urbanization have been bewildered by the fact that there exists no universal definition of how the 'urban' is defined (Potts 2012, Satterthwaite 2006, Satterthwaite and Tacoli 2006). This has obvious implications for comparisons of urbanization rates and characteristics between (and within) nations and related to this, the scope of global and regional debates. Definition challenges and delimitations of what is rural and urban also impact on how the dynamics of small town development in rural regions in the Global South are interpreted (Satterthwaite 2006), which has significant consequences for the application of urban governance practices. The role of sustainable urban development on regional and national development processes have gained a prominent position in recent global initiatives such as the New Urban Agenda and the Sustainable Development Goals (SDGs). Small and intermediate towns are perceived as increasingly important in structural transformation, inclusive urbanization processes and poverty reduction.

The aim of this paper is to examine small town development as an integral part of rural transformation and identify processes that explain how rural villages transform into small towns. The paper focusses on small town development in Tanzania, one of the least urbanized nations in sub-Sahara Africa while at the same time experiencing a considerable change in rural-urban population distribution: the official housing and populations data from 2002 counted the urban population to be 22.6 % of total population, while the figure for 2012 is 29.6 % (National Bureau of Statistics, 2014). However, as Muzzini and Lindeboom (2008) and Minot (2008) suggest, the urbanization rate is probably even higher if the rural-urban boundary setting was moved beyond biased administrative definitions and more sophisticated densification based measures were being used.

We are particularly concerned with the processes of spatial change, verbalized as the emergence of urban centres in rural areas. Emerging Urban Centers (EUCs) are characterized by rapid population growth related to continuous and diverse flows of migrants from rural hinterlands and more detached rural locations. Many of these centers are also characterized by economic dynamics related to agricultural sector activities that have been stimulated by Tanzanian market liberalizations and its long term effects on the development of private enterprises. The paper is based on a study of four EUCs in Tanzania (Ilula, Igowole, Madizini and Kibaigwa) and seeks to answer three major research questions: 1) What economic and spatial trends, including national policies, have formed

the pathway for rural transformation and early densification towards the emergence of urban centers in Tanzania? In answering this, we outline the roles of villagization and state driven economic policies, followed in the early 1990s by the liberalization that leads to a new intensification of crop cultivation and crop specific value chain dynamics. 2) What characterize the relationship between value chain dynamics and rural densification? This is explored by an analysis that focuses on two urban centers that have developed around agro-processing, and two centers that have developed as market places for sale of a dominant crop. In all four cases, new employment opportunities have been created in the value chain sequence of economic activities and the influx of migrant works have increased significantly. 3) How do migration and investments contribute to the consolidation of EUCs as places of attraction beyond the crop dynamics? In doing this we examine how EUCs have become places of attraction that act as important migrant destination for short term and long term migrants. Related to this we also explore how local economic dynamics diversify and form new specialization that create opportunities for investments and investors, of whom many are migrants. This development has been supported by structural changes within the EUCs making them important administrative and service centers. The paper ends by discussing how the intertwinement of rural transformation and urbanization processes form spatial densification in rural areas and towards the conclusion, it is suggested that these spatial transformations call for adequate governance that acknowledge the EUCs urban reality.

## **Rural transformation and small town development**

Within development studies, urbanization processes of rural areas and small town development have attracted considerable attention, not least in relation to how small town development can play a central role in rural development and be instrumental in rural poverty reduction. In this section we shall in short review some of the important insights from this literature and further motivate how the transformation of rural towns into small towns can be comprehended on their own terms. Thus, the purpose of this section is to outline our approach to exploring how rural villages have increasingly become places of attraction.

Under the heading of *structural transformation*, development economists have intensely debated if and how rural transformation should be seen as a vehicle for economic growth and a process where people and regions are moving out of agriculture (McMillan and Headey 2014a) or whether structural transformation is better stimulated by urban agglomeration and industrialization dynamics



(e.g. World Bank 2009). However, as argued by e.g. Christiaensen et.al. (2013) and Christiaensen and Todo (2014) (see also McMillan and Headey 2014b, Dorosh and Thurlow 2014) this classical opposition between rural or urban driven economic growth tend to overlook the role that intermediate urban centres can have in reducing rural poverty. It is suggested that migration for employment in urban centres located in rural regions has greater impact on rural incomes than migration to bigger cities. This is based on the argument that even though people moving to bigger cities accrue a higher income compared to people moving to smaller/intermediate urban centres, they are nevertheless only a few compared to the greater amount of people who manage to move to small urban centres (Christiaensen et al. 2013, Christiaensen, De Weerd and Kanbur 2016). While this middle position is insufficiently supported by quantitative studies that allows for broader assessments of their development importance with respect to rural development (Berdegúé et al. 2015), it importantly brings to the fore that small towns are mushrooming in many rural regions.

Thus, for the sake of the argument of this paper we shall leave the big debate about structural transformation. Instead, we shall suggest *rural transformation* as an analytical starting point for comprehending small town development. *Rural transformation* denotes ‘the process whereby the sharp economic, social, and cultural differences between rural and urban gradually blur and bleed into each other along a continuous gradient’ (Berdegúé, Rosada and Bebbington 2014, 7). The concept refers to the spatial reorganization of rural space where rural space (compared to urban space) is characterized by a lower population density and an economic base more oriented towards agriculture (Berdegúé et al. 2014). Rural transformation has formed land use change and economic and social development for generations however, at the present time, global drivers have become of increasing importance in explaining the dynamic shifts (See Heinemann 2014 for a comprehensive discussion of current changes in rural living). Four related processes are of particular importance: 1) How, agrifood systems directly and indirectly come to include more producers in the marketization of agricultural production, thus more rural producers depend on global marked dynamics; 2) How rural economies become diversified include various types of rural non-farm occupations; 3) Related to this how domestic and transnational migration flows express themselves in trans-local connections that increasingly contribute to rural livelihoods (Kelly 2011); and 4) How small urban centres in rural regions are growing and functioning as market and service centres for the rural economy (Tacoli 2006). In this way, rural transformation denotes an analytical starting point for studying small towns in their ‘becoming’ rather than their ‘being’ and in the rest of this section we shall explore further these entangled processes.

Related to market liberalization from the 1990s onwards, rural economies in many regions of the global south have been exposed to new economic actors with the result that the rural economy has increasingly come to include a diverse rural non-farm economy (RNFE) (Haggblade, Hazell and Reardon 2007, Haggblade, Hazell and Reardon 2010). Hence, changes in the agricultural sector stimulates the growth of the RNFE and how local employment develops in relation to increasing needs for direct and indirect services in support of agricultural production. Rural towns play an important role as locations for these rural non-farm activities, in particular related to processing, services and commerce, but they may also become centres for small non-agricultural industries, construction etc. However, people's engagement in rural non-farm activities intersect with seasonal demand for labor in farming, trade and processing, and economic activities and employment in rural towns can therefore vary accordingly. Often overlooked, but nevertheless important dimensions of if/how rural villages-cum-small towns develop and become sustained, are the nature of a dominant crop and the operation of the value chain and how these impacts on the dynamics of particular settlements (small town development) (Fold and Tacoli 2010; Larsen and Birch-Thomsen, 2015)

The importance of the RNFE, rural-urban linkages and rural towns and intermediate urban centres vary considerably within and between regions (Haggblade et al. 2007, Berdegue et al. 2015, Tacoli 2003). Overall there will be a rich array of path-dependent historical features that explain this variation including the different location of regions and urban centres, and related to this natural resource endowment and placement of government and administrative services (including infrastructural developments such as roads), but obviously, the agricultural structures and connected policies are important dynamic factors impacting on economic and spatial transitions. The latter being highly dependent on how regions have been included in agri-food systems: Haggblade, Hazel and Reardon (2007, 2010) refer to either dynamic rural regions with favorable preconditions, where increasing farm income (due to higher productivity) is invested in the RNFE, or stagnant rural regions where these dynamics do not occur. Further adding to the dynamics of rural regions are urbanization and migration that through remittances may add to the rural economy and/or new market opportunities.

Thus, agricultural economic dynamics interact with spatial structures in forming the basis for small town development dynamics. Thus, it may be assumed that rural towns develop into small towns because an increasing number of people are being attracted by the economic opportunities and services that these centres provide. This development is discussed in De Weerd's 2010 analysis of

the Kagera 1993 and 2004 survey data and follow up qualitative interviews and focus group discussions. What the analysis clearly shows is that; 1) people moving to the small centres are mainly engaged in business and trade; 2) this pertains to both more affluent people and people with few initial resources; 3) proximity matters, thus people who are well connected to the small urban centres face less obstacles to migrate (see also the more recent qualitative study on migration pathways in Kagera (Ingelaere, Christiaensen, De Weerd and Kanbur 2017). Considering that agricultural processing and handling of agricultural produce often are located in these urban centres, and that they increasingly become locations for rural-urban investors (see discussion in (Steel and van Lindert 2017, Larsen and Birch-Thomsen 2014, Owusu 2005), growing villages tend to become centres of attraction for a diverse group of migrants. If migrants and migrants' motivations are good proxies for understanding the dynamic growth of small urban centres it should be realized that the migration-settler group in their characteristics changes over time in response to shifting dynamics in the rural economy and rural-urban governance (Agergaard, Fold and Gough 2009, Bryceson 2011, Knudsen and Agergaard 2015, Andreasen and Agergaard 2016).

Dealing with these dynamics, but with an additional emphasis on natural and social endowments and changing political and governance structures, Tacoli (1998, 2003), Satterthwaite & Tacoli (2003) and (Tacoli and Agergaard 2017) enlarge our understanding of why small town development and their fate is so varied. That the fate of small urban centres is depended on a complex set of factors, related to, on the one hand regional rural economy endowments, which includes land fertility, and national and international contexts for investments, access to land, forms of production etc. discussed above. On the other hand, positive rural-urban interactions and the development of local urban centres also depend on national and local policies and governance frameworks that regulates/support financial services, e.g. credit facilities, provide infra-structure and services such as health and schooling, and accommodate water, sanitation and waste management in response to changing needs and housing structures.

For Tanzania there is sufficient evidence to suggest that many rural villages located in rural regions remotely connected to major urban centres, subsequent to market liberalization, gradually develop into small urban centres where they become hubs for employment, trade and access to services. Notwithstanding some inconsistencies in definitions between the censuses, this development indicates a considerable growth in small urban centres over the last decade, the 2012-census identify 600 urban centres compared to only 150 in 2002. The increasing mobility from rural areas

to rural hubs, of not least the young people, has also been confirmed by recent analyses of Tanzania-wide panel data (D'haen, Agergaard and Birch-Thomsen 2013, Wineman and Jayne 2016). Here it is discussed how people's responses to their motives for migration shows that what statistical-wise is determined as rural-to-rural migration is rationalized as a movement to more densely populated locations with the purpose of seeking/obtaining job and/or make use of improved services (Wenban-Smith 2015).

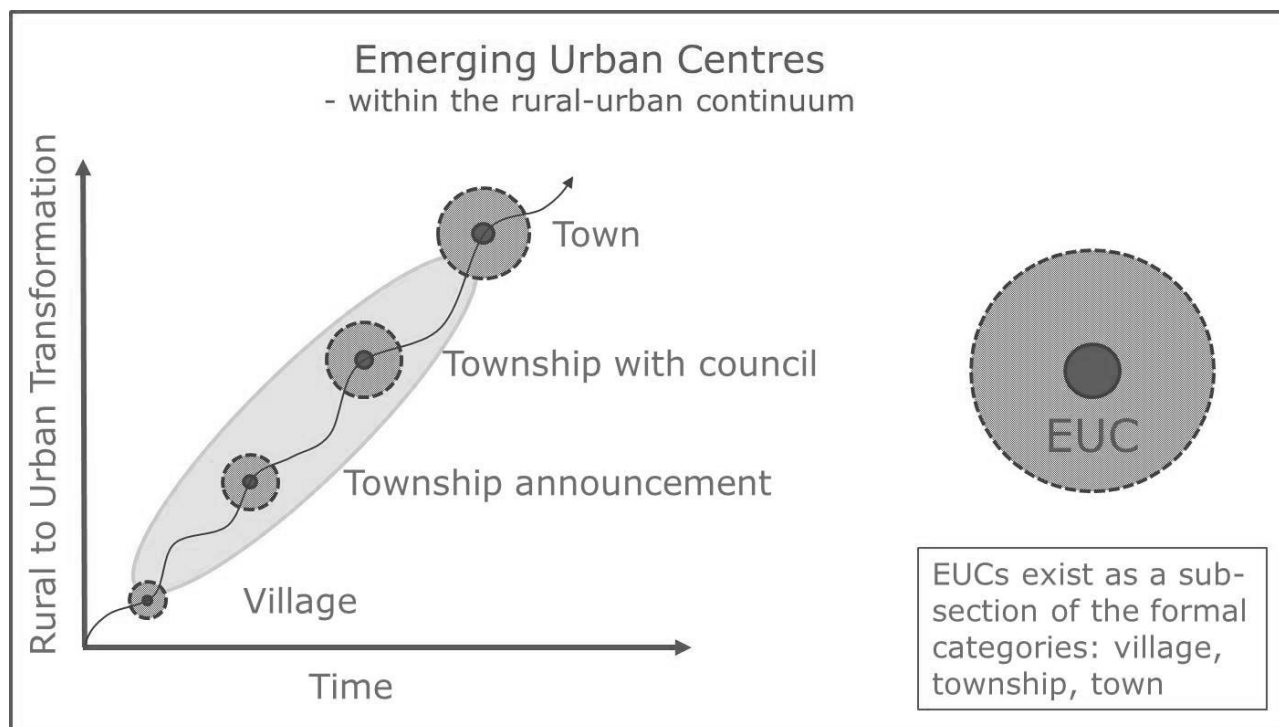
In the subsequent analysis, we will draw on the preceding outline of factors explaining why some rural towns develop into small urban centres by gradually becoming places of attraction. As we discuss in the next section this has implications for our choice of case studies that all are located in what can be characterized as dynamic rural regions. Considering that crop specific value chain dynamics might further add to the explanation of why and how urban centres grow, we study two centres developed around agro-processing and two centres that have developed as in relation to sale of a dominant crop. Although our analysis is mainly concerned with crop related economic dynamics after market liberalization in the early 1990s, we start our analysis by a stylized presentation of how spatial and economic policies before and after Tanzania's independence (e.g. estate farming, villagization, infrastructure development) form pathways for the location and formation of the urban centres. In the second part of our analysis we start by detailing how the crop related economic dynamics after the market liberalization increasingly interact with the formation of rural towns as locations for employment and investment. Hence, this part of the analysis then move on to reflect across the cases on how the urban centres become migrant places and places of attraction for economic investments and planning beyond the dominant crop (the crop value chain that sparked the post-liberalization growth).

## **Studying EUCs in dynamic agricultural regions**

Insights into the historical trends in regional development are central for our understanding of rural transformation and how it links to the emergence and consolidation of urban centres. Given the differences in their developments, the EUCs could be viewed as 'urbanised' centres inside formal categories of 'urban' settlements (townships) that have reached different stages or levels/degrees of transformation within a rural-urban continuum (see Figure 1). The categories presented are the formal administrative stages that a settlement can pass through in the Tanzanian context – from 'village' to 'township' and eventually to 'town' – as described in the Local Government (District

Authorities) Act 1982. Of particular interest to the context of this paper is the development from ‘village’ to ‘township’ status which is described in section 13 to 21 of the act. According to section 13 the announcement and establishment of a township authority (published in the *Government Gazette*) is based on the assessment, by the responsible Minister, of a place or area where creating or developing an effective and efficient system of local government is considered desirable. Similarly, a change in status from ‘township’ to ‘town’ is obtained through the announcement by the Minister in the *Government Gazette* (Section 20 of the act). The establishing of the township authority – starting with the appointment of the Township Executive Officer and eventually having a Township Council – may be a lengthy process taking years (as will be discussed later in relation to the four EUCs presented in this paper).

**Figure 1:** Development of EUCs within the rural-urban continuum



Source: Authors' compilation

The empirical point of departure for our explorations of how villages develop into urban centres is a focus on four dynamic rural places, or what (Hazell, Haggblade and Reardon 2007) label productive agricultural regions. Selection of the four cases was based on the identification of agricultural regions with urban centres that have experienced substantial population growth, illustrated by them

achieving township status in 2002 announced by the Tanzanian government<sup>1</sup> (see Table 1). An important characteristic of the four EUCs is that they are located away from District and in some cases even ward headquarters. This emphasizes that the growth of these areas has little to do with formal governance structures. Additionally, the selected agricultural regions are characterized by having an agricultural economy built on a dominant cash crop. The four dominant value chains selected can be subdivided into processed crops (sugarcane and tea), and non-processed market crops (tomato and maize) respectively, where in the case of the later, a transition from locally traded crops into nationally marketed crops have taken place.

**Table 1:** Emerging Urban Centres and Dominant Value Chain

EUCs	Dominant Value Chain	Estimated no. of inhabitants 2002 and 2012 (*)	Location
<b>Madizini</b>	Sugar cane production and processing	2002: 8,238 2012: 14,168 <i>72% increase</i>	In Mtibwa Ward, Mvomero District, approx. 100 km North of Morogoro Town (regional headquarter)
<b>Igowole</b>	Tea production and processing	2002: 6,249 2012: 8,176 <i>31% increase</i>	In Mafinga District, approx. 40 km South of Mafinga Town (district headquarter) and 17 km East of the TANZAM highway
<b>Kibaigwa</b>	Maize production and whole sale market	2002: 9,866 2012: 17,535 <i>78% increase</i>	In Kongwa District, on the Dar es Salaam-Dodoma highway, approx. 100 km East of Dodoma city and 154 km North-West of Morogoro Town, and 40 km East of the Kongwa Town (district headquarter)
<b>Ilula</b>	Tomato production, packing and marketing	2002: 20,342 2012: 22,942 <i>13% increase</i>	In Ilula and Nyalumbu Wards, in Kilolo District along the TANZAM highway, approx. 50 km East of Iringa Town (regional headquarter)

Source: Authors' compilation; 2002 Census and 2012 Census, NBS-Tanzania.

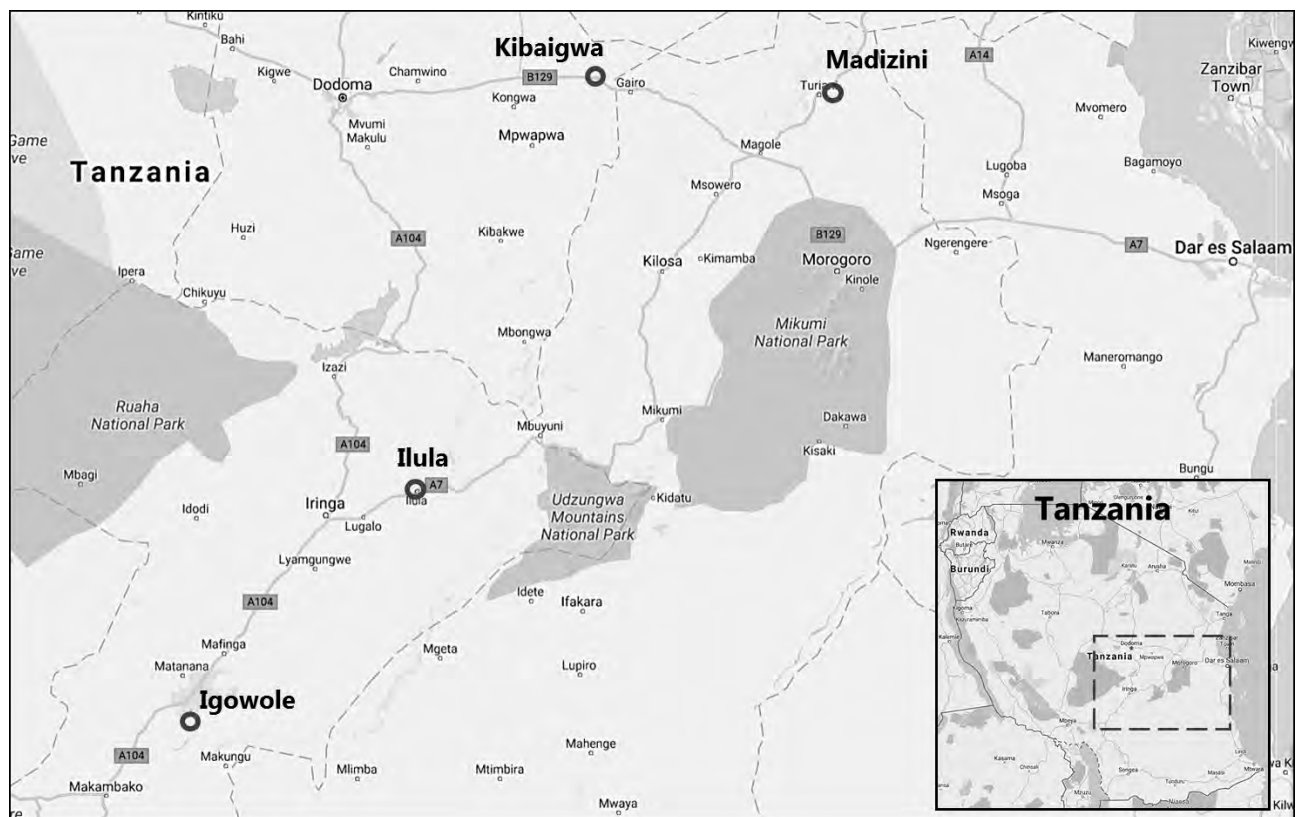
(\*) These are estimates since the EUCs, despite being part of the announced formal townships, do not make up independent enumeration areas.

---

<sup>1</sup> Despite this announcement, as we shall discuss subsequently, this has not automatically translated into a transition of the EUCs from rural to urban governance.

The four different crop value chains facilitate a comparative analysis of how crop-specific value chain dynamics may generate local non-farm employment, investment opportunities, and overall backward and forward linkages to the rural hinterlands. The four cases shall therefore inform an analysis of the emergence and evolution of rural non-farm activities and how this is spatially manifested in urban centres and livelihood transformation. But also provides the historical pathways of the EUCs – this is to some extent illustrated in the large difference in the estimated population growth within the EUCs between 2002 and 2012. Whereas the high growth observed in Madizini and Kibaigwa (above 70%) illustrates a densification of the urban centers, the low growth of the Ilula EUC (13%) can be explained in an already high population and dense settlement pattern by 2002. A possible explanation of the medium growth in Igowole is partly due to the generally lower population density in the EUC and partly its location off the main road network (see next section).

**Figure 2:** Location of the four research sites in Tanzania



Data was collected from the four EUCs and their neighbouring rural hinterlands in two stages. Stage one involved use of participatory methods including semi-structured interviews and focused group discussions. Pre-designed checklists of questions were used to guide interviews with key informants and focused group discussions in both the EUC and rural communities (villages) in the hinterland.

Key informants included EUC ward and hinterland village leaders, leaders of main financial institutions, and people in the EUCs and villages who were knowledgeable about historical and new trends in the political, economic, demographic, and spatial development. For each study site and based on village registers, focus group discussions were conducted. In-depth interviews using historical timelines and narrations were used to identify critical historical events (social, economic and political) that influenced major development turning points in each of the EUC and their immediate hinterlands. Stage one also included a mapping of the input-output structure and the respective value chains' geographical extension in the regions.

Stage two involved different sets of qualitative interviews conducted in the EUCs with 1) elderly residents, settlers, and temporary migrants in order to understand their attraction to the EUCs; 2) stakeholders in the four value chains to understand changes in crop dynamics and employment opportunities; 3) different types of businesses to explore business development trajectories and diversification of the economy in the EUCs.

## **Rural transformation and crop dynamics**

In this section we examine the early development of the four EUCs with focus on the 'foundational growth' from rural to urban locations as it is experienced and envisaged by early inhabitants of the EUCs. The following narratives show that the development of the EUCs is influenced both by external (state) factors such as the implementation of villagization in the 1970s and by internal factors, in the context of farming, land, employment, trade and service in connection to the particular crop dynamics.

### **Tracking pre-1990s crop and village dynamics**

#### **Madizini**

Madizini is located on fertile and (in many cases) natural rain-fed land. Local indigenous groups were known to inhabit most of the land until the early 1960s when sugar cane production was introduced to the area. The driver of Madizini as an EUC is closely related to the establishment of the Mtibwa Sugar Estate (MSE), which is now one of the biggest sugarcane estates in Tanzania (Moshi/TPC, Kagera and Kilombero being the others). From 1963, the MSE started to operate as a small sugar mill under private ownership based partly on plantation crops and an outgrower scheme. During 1967/69, the MSE was nationalized and a large-scale sugar milling plant was



established in the early 1970s. In the early 1970s, the government also established an Ujamaa village, Turiani, located 4-5 kilometers east of the current Madizini EUC, where also a Roman Catholic mission and later hospital was established in 1961. During the resettlement programme, people were relocated from nearby as well as distant geographical areas such as Kilimanjaro Region of the north-eastern part of Tanzania. It is believed that migrants from Kilimanjaro have played an important role in local development as they more frequently have established businesses in the area, including dairy cattle keeping and shops.

Thus, villagization has contributed to the influx of people to the Madizini area and the establishment of basic services. However to understand continuous immigration and settlement dynamics to the area, we need to consider the operation of the new, and enlarged, parastatal factory. The expansion of the sugarcane factory attracted crop-related labour migrants from immediate as well as distant rural areas for wage employment at the sugar factory and plantations as sugarcane cultivation and processing has attracted many crop-related migrant workers from various regions of Tanzania, not least from Iringa, Mbeya and Kilimanjaro regions. The crop-related labour migrants settled either on the estate or in some of the villages that now constitute the rural hinterland of Madizini. However, over time many migrants who entered Madizini as seasonal workers have managed to stay in the area beyond the harvest season (from August to January) and have bought and/rented land and become members of the expanded sugarcane outgrower scheme. Interestingly, the majority of these 'new' outgrowers, despite owning/renting land outside what now constitutes the Madizini EUC, has decided to settle with their families in the EUC. This is clearly one of the explanations why Madizini has developed economically and demographically, while the *Ujamaa* centre of Turiani, has stagnated.

### **Kibaigwa**

The name Kibaigwa originated from the first person who settled in the area by the name of Lembaigwa who was of the Wamaasai ethnic origin. Traditionally, the Wamaasai are pastoralists and it is therefore likely that this was a common strategy in search of pastures for livestock. Over time more people of different ethnic groups (mostly from within the Dodoma region) settled in the area attracted by access to fertile land and pasture for crop and livestock production. The construction of the Dar es Salaam to Kigoma road (the Old Tanganyika road) started in 1967 and was later improved to the current paved highway between 1982 and 1986. The road created physical connectedness between Kibaigwa rural settlement and other rural and urban areas. This reinforced

the in-migration of settlers to the area and the development of Kibaigwa as a settlement. Kibaigwa was declared a village in 1970 and by being located close to the road more people were relocated from other scattered rural settlements to Kibaigwa village during the 1974 villagization declaration. While in-migration to the settlement dates back to the early 1960s, it is apparent that the 1974 villagization declaration is the main political influence on the early development of Kibaigwa EUC, when a large number of people were moved from hinterland areas to Kibaigwa.

### **Ilula**

Early in-migration dates back to the 1950s and early 1960s when the main attractions for migrants were access to arable land and job opportunities at a Greek tobacco farm (located north-east of the present day Ilula). This in-migration consisted mainly of the WaBena and WaKinga ethnic groups from the Njombe and Makete districts respectively. Many of these migrants settled permanently in the area, predominantly in the rural hinterland of Ilula initially and later were relocated into villages during the period of villagization, while others settled in present day Ilula (Ilula Itunda) by the main road. The livelihood strategies during the 1970s and 1980s were dominated by small-scale agriculture consisting of maize production for food and for cash and livestock keeping. During the 1980s maize was sold either through the official marketing channel (National Milling Cooperation, NMC) or through the parallel market. In addition to maize, many farmers cultivated local varieties of tomatoes in the traditional garden plots in depressions in the landscape with access to water (vinyungu). In the mid-1980s, the development of Ilula as a center started when new tomato varieties from Morogoro were introduced, and when temporary financial services providing farmers with access to credit from the CRDB bank – both of these changes led to increased yields and the commercialization of the tomato production. This expansion in production created a labour demand which was met through seasonal employment of crop-related migrants from the rural hinterland, but also from distant geographical regions such as Morogoro, Tanga, Kilimanjaro, Mbeya and Dar es Salaam. Some of these seasonal migrants decided to settle in Ilula and some became involved in livelihood activities such as shop-keeping, petty trade, carpentry (Mshote, 2012).

### **Igowole**

The first concentration of people in a settlement/village happened in the 1940s, when the local Hehe chief of the area moved the traditional court from Kasanga to Igowole. The Hehe chief was provided a large piece of agricultural land on which he established his traditional headquarter (palace) and started producing maize on a large scale. Relatives and kinsmen of the Hehe chief decided to follow

him to the area and were given part of this land for permanent settlements. As a result of increasing labour demand, many farm attendants from nearby villages were recruited to perform farm operations and they moved to and settled in the village. Traditionally, Igowole has been a major producer of maize both for consumption and marketing. Most of the maize produced in the late 1950s and early 1960s was marketed through a cooperative union registered as Mufundi Maize Growers' Association. In addition, the promotion of pyrethrum production in the 1980s by the Tanzanian government to provide materials for processing at the plant in Mafinga also contributed to commercialize agriculture in the area. While the cultivation of maize and pyrethrum plants was – and still is – important agricultural activities in the area, the growth of the Igowole settlement is associated with the presence of large (international) tea plantations and especially the establishment of Ngwazi tea estate at the outskirts of the present Igowole EUC. Tea production in Mufindi started in the 1950s and the expansion of tea production created a demand for additional labour.

Apparently, this could not be met by the native people in the area, as they were less willing to be employed as casual labourers at the tea plantations, preferring instead to continue working on their own farm. Similar to the other three EUCs, as part of the Ujamaa policy and the implementation of the Village Act (1974), Igowole village by virtue of its location (by the roadside) also received migrants from other rural areas in Tanzania that settled in the village. This contributed to an increase of the village population and diversity of residents in Igowole.

However, the situation of labour shortage increased in the 1980s when the tea production was dominated by two estates – Unilever Tea Tanzania (the country's largest tea estate) and Mufindi Tea Company (MTC) – with a minor contribution from smallholders. Thus in the 1980s, the tea estate established 'labour collection points' in places such as Makete (WaKinga) and Njombe (WaBena) districts (the south-western part of the Iringa Region) and provided transportation for people from these areas to the estates. Many of these crop-related labour migrants decided to settle permanently in the area – in Igowole village or in nearby villages in the rural hinterland. Eventually, many of the newcomers became either smallholder tea producers or ventured into non-farm livelihood activities such as shop-keeping, petty trade, carpentry, etc.

As illustrated above, the four EUCs share many commonalities related to the role of state policies on settlement development, but they also entail particular development pathways and context-specific characteristics that leads to different development trajectories.

## **Crop-related economic dynamics**

Following the liberalisation in the early 1990s, the development of the EUCs has evolved in tandem with the intensification of crop cultivation and crop-specific value chain dynamics. In the first part of this section we explore the development of the EUCs based on a distinction between centres developed around agro-processing (Madizini and Igowole), and centres developed as a marketplace for sale of a dominant crop (Ilula and Kibaigwa). In the second part, we explore labour/migration and mobility dynamics, while the third part focuses on the recent consolidation of the EUCs as ‘places of attraction’ and the recurring ‘de-coupling’ of the agricultural sector.

### **Agro-processing centres**

In Madizini and Igowole, the estates’ processing facilities are located centrally in large factories at the estates, in Madizini close to what today makes up the oldest sub-village and in Igowole on the fringes towards the EUC. Sugar canes and tea leaves need to be processed immediately after harvest in order to retain their value and due to the non-storable character of the crops, the organisation and logistics of production, harvest time and transport from the farm to the processing factory are crucial. Prior to liberalisation, both industries were regulated by parastatals marketing boards (the Tanzania Tea Authority and the Sugar Development Corporation) and smallholders were ‘linked’ to the estates through outgrower schemes in order to promote smallholder cultivation of the crops. Extension services, inputs, harvesting and logistical services were provided by the estate and/or the parastatal.

After the economic reforms, the marketing boards remained as regulatory bodies while the processing factories (including Mtibwa Sugar Estates, MSE) were privatized and both tea and sugar cane outgrower schemes have grown significantly in the last two decades, while the organisation of notably the sugar cane scheme has changed substantially (Msuya et al., 2013; Larsen and Birch-Thomsen, 2015).<sup>2</sup> MSE is the only sugar company in the area and the privatised outgrower scheme covers around 6,000 smallholder farmers. MSE has gradually withdrawn from involvement in extension, inputs, harvest, and logistical services to outgrowers and focuses mainly on sugar cane

---

<sup>2</sup> The tea estates and smallholder subsectors have followed a largely independent path until the onset of SAPs in the early 1990s. The parastatal provided planting materials, inputs and extension services to smallholders and facilitated processing of the green leaves at the privately-owned tea estates in the area (Larsen and Birch-Thomsen, 2015).

processing (mill and refinery), while newly established farmer associations have assumed responsibility for provision of these tasks.<sup>3</sup> This reconfiguration of the sugar cane outgrower scheme following the privatisation of the parastatal processing company has resulted in several new investment opportunities in value chain related activities. Harvest management (cutting, loading, and transportation of sugar cane to the factory) is carried out by private companies, so-called contractors which operate under contract with the farmer associations and private investment in the transport sector (mainly truck and tractor facilities) by individuals or associations have increased. A few of the contractors hires out labour services in the harvest season and provide dormitories for seasonal migrant workers (Msuya et al., 2013; Larsen and Fold, 2012).

The two well-established tea estates are both vertically integrated and cover logistics such as transport, including the collection of tea leaves and distribution of inputs and picking bags at the farm gate, as well as provision of extension services, in addition to the marketing of so-called 'made tea' (manufactured tea used in blends). The 'room for investment' in economic activities directly linked to value chain related activities such as tea-processing facilities or entrance into primary purchase or transportation of tea leaves appears less pronounced relatively to the case of the sugar cane value chain. The tea estates complement their own tea production with produce from smallholders in the surrounding area and carry out all aspects related to cultivation, purchase and processing of tea leaves from the smallholder subsector. Investments in value chain related economic activities are constrained by enormous entry barriers – both financially and in terms of managerial capacity. The latter is related to well-developed and effectively coordinated purchasing system by the two estates combined with the success of the outgrower schemes, where smallholders receive inputs (seedlings, fertilizers and chemicals) on credit. Only one tea-processing factory has entered the market recently, in this case as an extension of its own large-scale tea farm.

The tea estates provide employment opportunities as factory and/or farm workers (e.g., pickers, transporters). In addition, the tea estates have continued to expand their production and more recently increased their operations by involving smallholders from the surrounding areas in growing and selling their green leaf tea to the factories as a strategy to increase their portfolios of different

---

<sup>3</sup> Apart from a vast plantation area, MSE has acquired a former cattle ranch in the same area and about 20,000 hectares is set aside for a new sugar cane estate.

tea qualities, product varieties and/or band profiles within more lucrative, niche market segments. Investment in additional processing capacity ‘dedicated’ to smallholders indicates the growing scale of the smallholders’ share of the green leaf tea intake at the well-established estate factories (Larsen and Birch-Thomsen: 2015: 7). As such, the economic dynamics in Igowole (partly) stem from the virtuous cycle between increasing money circulation and the purchasing power of people in the EUC and the rural hinterland.

### **Marketplace centres**

Over a short time span, Ilula and Kibaigwa EUCs have developed into huge ‘marketing hubs’ for a dominant crop for further distribution/sale at national and international markets. Processing of the crops (e.g. grinding of maize grains) takes place elsewhere in Tanzania or abroad. In both cases, the changes from early development to EUCs started in the early 1990s following the liberalisation of trade and the entrance of the private sector in purchase and marketing of crops formally organised through a single-channel parastatal marketing system.<sup>4</sup> Kibaigwa and Ilula EUCs became the main trading centre for maize and tomato respectively. During the 1990s and early 2000s, the crops were marketed from several, smaller marketplaces in the EUCs. As a response to steadily increasing amount of tomatoes marketed, the Tanzania Social Action Fund (TASAF) established a new, centralised marketplace in Ilula in 2006, resulting in the entrance of a large number of private brokers, trading tomatoes for regional, national and international markets. Similarly, apart from market places in Kibaigwa, maize trade was scattered in several villages before 1995. Along with increasing, but dispersed trade of maize the risk of theft and robbery mounted and the chairman of Kibaigwa village encouraged young males to establish a group (presently known as ‘Kibaigwa Cargo Porters Cooperative Society’) in order to provide security to the marketplaces. Initially, the group was responsible for security, loading and unloading of maize on lorries by ‘the road side’. But in 1995 a centralised marketplace for maize was established and further consolidated as an international maize marketing hub in 2004, where traders from countries within the East African

---

<sup>4</sup> The monopoly of the grain purchasing parastatal (the National Milling Corporation) was removed and this resulted in a tremendous boom in maize trade by the private sector in Kibaigwa. Though as argued by Cooksey (2011: 561), the private sector was heavily involved in maize trade prior to liberalization as well and to some extent ‘liberalisation’ simply legalised the existing ‘parallel’ grain trade’.

Region were allowed to purchase maize in Kibaigwa for resale abroad (Lazaro et al., 2013; Larsen and Birch-Thomsen, 2015).

The liberalization of trade has created ample investment and employment opportunities in the two EUCs directly related to the value chains. Increasing demand for services related to crop cultivation, e.g. agro-input supplies such as seeds, fertilizers, herbicides and pesticides, has led to investment in shops at the EUCs by agricultural input stockists. In both value chains, transportation, sorting, (re-) packaging, and storage facilities are important, and private sector investments in the transport sector, including local transport of produce from farms to the markets and transport from the market to larger national and international markets, have increased substantially, resulting in numerous transport service providers, different kinds of repair centres for cars, ox-drawn carts, bicycles and motor cycles in the EUCs. Furthermore, demands for (and investments in) different kind of packaging materials are mounting: tomato is a perishable and fragile product and different markets (local/regional, national and international) demand specific transportation equipment in terms of packaging. Tomatoes sold in Ilula for re-sale in Dar es Salaam and internationally require wooden boxes, thus facilitating new business activities engaged in the construction of wooden boxes, while tomatoes for other markets can be sold in bamboo baskets. In the latter case, a rental market for the woven baskets has emerged in the marketplace. In the case of maize sale in Kibaigwa, in addition to large-scale (re-)packaging of maize for wholesale in regional, national and/or international markets, sorting of maize (winnowing to remove trash such as dust, stones, pieces of maize cobs) is mainly carried out by women. Sorted maize for processing flour is sold in relatively smaller quantities at request from maize buyers.

In summary, the intensification of crop cultivation and marketing or processing of crops has generated new and more diversified demand for productive capabilities and service facilities in the EUCs. There tends to be significant 'room for investment' in businesses, trade and services in the EUCs directly linked to the value chain dynamics of tomato and maize, while the vibrant and busy marketplaces have created additional demand for refreshments for dealers and customers. Numerous vendors and street shops selling food and beverage at the marketplace have been established in addition to hotels, guesthouses and restaurants. This development differs from the cases of agro-processing EUCs, the output of which is processed centrally in large processing factories. Still, the reorganisation of the sugar cane outgrower scheme provides some new

investment opportunities in value chain activities related to crop cultivation and harvest management as well as accommodation for seasonal migrant workers.

## **Consolidation of the emerging urban centres**

### **Emerging urban centres as migrant places**

The economic dynamics related to crop production and marketing from the early 1990s onwards are closely intertwined with migration from near and afar and the steady increase in population size of the emerging urban centres. Migration to the centres with the purpose of taking up employment for shorter or longer periods obviously contributes to the buzz of the places, but importantly also results in settlement of a more permanent character. In this section we shall provide an overview of the various migration and settlement pathways that can be detected in the four centres. As mentioned above, labour dynamics related to agro-processing differ from those that apply to the market places. From the early establishment of tea and sugar cultivation and production, seasonal labour demands for harvesting and processing have generated substantial temporary migration. When the out grower schemes and production and processing capacities expanded, first during the 1970s and second after the market liberalization (late 1980s onwards), this opened the opportunities for the until then circular migrants to become tea and sugar cane farmers respectively. Hence, considerable numbers of temporary migrants became settlers and often brought their families along. For both centres this made a contribution to the population growth of the village centres, particularly so in Madizini, where the majority settled in and around the old village while their fields were scattered in different villages where they could either rent or buy land.

Migration flows to Kibaigwa and Ilula during the period of the early 1990s when they develop as market places take somewhat other forms. For Kibaigwa the maize market and the increasing job opportunities attract many young men to take part in the loading, porter and transport businesses. Migrants also arrive because of the increasing maize farming in the region and also result in migration in relation to the establishment of maize farmers' second home in Kibaigwa. Finally, the effects of Kibaigwa becoming a preferred stop on the road between Dar es Salaam and central Africa adds to increased economic activities and related attraction of migrants. Similar dynamics can be observed in Ilula although the highway effect might be of less importance and the immigration related to loading and transport of tomatoes were more gradual in connected to the change from primarily maize farming to tomato cultivation.



In spite of the overall differences between the two types of agro-economic dynamics, striking similarities in how migration contributes to demographic growth can be detected. At least five different pathways where migrants become settlers have been identified. Figure 2 is an attempt to summarize the different pathways and unpack the often rather undifferentiated category of ‘migrants’ and of how settlement of migrants continuously contributes to the demographic growth of the emerging urban centres.

**Table 2:** *Characterization of migration-to-settler pathways applicable to the four emerging urban centres*

	Migrant-to-settler pathways	Characteristics
1	Crop related labour migrants	<ul style="list-style-type: none"> <li>• This category includes labour migrants that take up farm and non-farm employment related to the dominating crop, and who take long term residence in the EUC</li> <li>• This category spans casual field work, processing, handling and transport of the produce, sorting and grading (tomatoes)</li> </ul>
2	Non-crop related labour migrants	<ul style="list-style-type: none"> <li>• This category includes migrants that take up formal and informal employment in factory and the diverse service sector, and who take long term residence in the EUC</li> <li>• In all four centres this includes employment in restaurants, hostels, food stalls, shops etc.</li> <li>• It also includes ‘industrial’ employment: e.g. timber factory employment in Madizini and basket weaving and construction of wooden boxes in Ilula</li> </ul>
3	‘Farmer’ migrants	<ul style="list-style-type: none"> <li>• This category includes migrants to the EUCs that take up residence at the EUCs although they keep their major activities of farming outside the EUC.</li> <li>• They are attracted by the conveniences in the EUCs including market access – and often their settlement in the EUC implies a strategy of keeping two households: one in a rural village and one in the EUC</li> </ul>
4	Business migrants	<ul style="list-style-type: none"> <li>• This category includes migrants that take up businesses related to production and services and who take long term residence in the EUC</li> <li>• The category spans self-employment, family businesses and businesses that employ non-family members.</li> <li>• For the past decade this has been the fastest growing category</li> </ul>
5	‘Professional’ migrants	<ul style="list-style-type: none"> <li>• This category includes migrants that take up employment related to banking, tele-communication, health, schooling and formal government jobs based on formal qualifications and/or education</li> </ul>

The five migrant-to-settler pathways are continuously pursued in the four EUCs, and are signs of an increasingly diverse economy that offers employment for a varied group of residents. Migrants

continue to be attracted to the EUCs for employment in relation to processing and/or marketing of the major crop, although they make up less of the new migrants to the EUCs. Migrants attracted by employment opportunities in the diverse and growing ‘service sector’ are making up a very dynamic group of settlers staying for shorter or longer periods of time – some are engaged on formal contracts; others have a looser engagement that follows the ebbs and flows of small businesses. Although not making up the majority of migrants, the group ‘farmer migrants’ has developed as an interesting group in all four EUCs and it shows how services (education, health, transport, consumer goods etc.) and proximity to marketization of products have made farmers to consider a shift of residence. Migration and settlement for investment in business and trade sometimes but far from always coincide with the former group. As will be discussed in the subsequent section, this group not only include local investors but also attract investors from afar seeking to develop a revenue from the dynamic EUC economy. More importantly though, this is a very diverse group spanning from one-person and family operations to formal enterprises. The final group of migrants, the ‘professionals’ illustrates that public and private institutions are taking root in the EUCs.

Many of the contemporary migrants to the EUCs move from rural areas in proximity to the EUCs that compared to the EUCs provide fewer opportunities for remunerative employment, investment and or services. In case of ‘professionals’ and business investors some cases of urban-to-EUC migration also occur. Thus, EUCs can be seen as important hot spots for rural in-migration. Obviously, the five categories are highly simplified: migrants’ occupational pathways often change over time and livelihood portfolios are usually complex e.g. combining different types of occupation throughout the year depending e.g. on the seasonality of the production, processing and marketing of the respective crops etc. Likewise, because the categories are focusing on the occupational aspects of migration, migrants that move as dependants are not emphasized although they obviously contribute to the gross figures for demographic growth. Nevertheless, what can be realized from the stylized categories is the diversity among the huge migrant group which points to a deeper analysis of how the emerging urban centres act as places of attraction, being the focus of the next section.

### **EUCs as places of attraction beyond the dominant crops**

While the first decades of EUC development were dominated by economic activities mainly related to the dominant crops within the agricultural sector (e.g. producers, traders, service providers or

labourers), the last two decades have witnessed a creation of new employment opportunities, mainly through a diversification as well as specialisation of the local economies. These have been created in the value chain sequence of economic activities and the influx of crop related labour migrants has increased significantly. The sugar cane and tea estates provide formal employment opportunities as factory and/or farm workers (e.g. cutters (sugar) and pickers (tea), transporters, caretakers), often on a permanent basis. The labour market related to value chain activities (e.g. factory and estate-land cultivation) tends to be more formal and, to some extent, based on permanent employment. This is relatively more pronounced in the case of tea with steadier labour requirement during the cultivation season compared to sugar cane production. In the case of sugar cane in Madizini, private companies recruit seasonal workers for harvesting. With the booming trade in maize and tomato and the centralisation of marketplaces the demand for labourers engaged in sorting, packaging and loading the crops have increased, while increased crop cultivation has created additional demand for seasonal labour, particularly in the rural hinterlands of all four EUCs, for land preparation, weeding, and harvesting.

This development has been supported or influenced by structural changes within the EUCs, making them important administrative and service centres. Firstly, the announcement of the EUCs as ‘townships’ in late 1990s (Kibaigwa 1999) and first half of the 2000s (Igowole, Ilula and Madizini) has led to the location of government offices within the EUCs, resulting in an influx of civil servants. Secondly, the health, schooling and financial services within the EUCs have been established or improved. Thirdly, the increase of the population and the general economic growth and income among people in and around the EUCs, has generated an increased consumer demand – particularly so within the past two decades. This has, together with the introduction of electricity to the EUCs, attracted and spurred the creation of an increasing number of shops and new enterprises (Larsen and Birch-Thomsen, 2015).

As earlier illustrated the creation of new economic activities and the diversification of the economy vary between the four EUCs. However, some general trends can be summarized from a survey conducted in 2012 of 92 businesses in three of the four EUCs (Igowole, Ilula and Madizini). It was observed that the majority of shops were established between 2000 and 2011 (68-87%) – confirming the increase in new economic activities. Furthermore, there was a clear dominance of migrants owning shops (between 61-80%) illustrating the attraction of non-local investors to the EUCs. A majority of the migrant shop owners stated that the initial migration to the centres were to

engage in businesses or to pursue employment opportunities. The predominant type of businesses (shops) was traditional 'general stores' (selling basic consumer goods like rice, sugar, salt, cooking oil, vegetables, etc.) with little specialization. However, as the EUCs developed more specialized businesses have increasingly been established (clothing and footwear, hairdressers, furniture, electrical items, hardware, pharmacy, motorbikes, welding, mobile money/phone etc.).

Although both formal and informal loan and credit facilities/institutions are available in the EUCs, the vast majority (70-87%) of the shop owners state that their start-up capital was based on own saving or resources. In the case of the 'agro-processing' EUCs – Madizini (sugar) and Igowole (tea) – savings often stems from wage labour at the factories or in the fields of the estates. In the 'marked-place' UECs of Ilula and Kibaigwa savings commonly originate from production and sales of the dominant crops (tomato or maize). However, if only looking at the shop owners who have migrated to the EUCs, the dominant way of establishing capital for their investment was through savings (and experience) from businesses prior to their in-migration. While some business owners state that they fully concentrate their time and effort to their business, a majority are additionally involved in cultivation of the dominant crop or other activities related to their production and/or marketing (from 48% in Ilula to 75% in Madizini).

The increased number of businesses within the EUCs have generated non-farm employment opportunities, both for family members and, more importantly, to other people. Approximately 30-40% of the owners employ assistants in their shops – typically 2-3 persons depending on the type and size of the business. Furthermore, as part of the transformation of the EUCs the local employment opportunities has diversified both related to the dominant crop (in case of Ilula: sorting, packaging, basket weaving related to tomato marketing), but equally into a plethora of non-crop related casual labour opportunities within the service sector (e.g. daily markets, local transport, food and beverages). These job opportunities are particular attracting youth settling in the EUCs (Mshote, 2015). In addition, a flourishing industry has evolved within the service sector (hotels, restaurants and bars). In the cases of the 'market-place' EUCs, this is particularly linked to the more recently development of the international markets of maize and tomatoes respectively, seasonally attracting large number of traders. A similar tendency of investments (and employment opportunities) in the service sector has taken place in the 'agro-processing' EUCs.

The transformation of the EUCs into service centres (e.g. government administration, health and education, trade and commerce) has equally influenced the rural hinterlands through (intensified)

rural-urban linkages. The linkages are in the form of mobility of people, goods, remittances, services and investments, and they have generally resulted in improvement of the rural livelihoods, including improvements in incomes and housing facilities. A particular change observed in the rural hinterlands is the emergence of small, less diversified, village centres dominated by small general stores/shops. This has been stimulated through the easier access to wholesale stores that have emerged in the EUCs – the village shop owners can now buy stocks in the nearby EUCs instead of in larger and more distant towns. Of other important factors, the eased transport following the increased number of motorbikes during the first decade of 2000s and the increased use of mobile phones (used for placing orders etc.) should be mentioned.

## **Intertwinement of rural transformation and urbanization**

The overall purpose of this paper has been to explore how rural villages transform into small urban centres – what we refer to as the emergence of urban centres. Situated in the recurring literature on structural transformation, agricultural economic dynamics, migration, rural transformation and small town development, the analysis has focused on how urbanization and rural transformation can be conceptualized and researched as intertwined processes: particularly, how villages located in dynamic rural regions become and further manifest themselves as places of attraction. Empirically, the paper has reported from a comparative analysis of how four rural villages in Tanzania, all being located in dynamic rural regions, transform into becoming urban centers. Central to the analysis has been how crop dynamics interact with the ways in which rural centres experience rapid demographic growth and densification related to immigration and settlement, the importance of non-farm economy and employment increases, and how land use changes from comprising mainly farming to predominantly residential occupancy.

It has been shown how rural transformation and small town development in Tanzania pulls threads to imperative political reforms. Firstly, the villagization policy (*Ujamaa*) of the late 1960s to mid 1970s, where more than 5 million people (half of the then rural population) were forcedly moved into village centres. The result was a new spatial layout of the until then overall spatial dispersion of the rural population into a more or less even distribution of rural village centres. Together with subsequent infrastructural investments this has provided a geography on which the emergence of urban centres has taken place. Secondly, economic and political reforms from the early 1990s onwards, characterized by liberalization of the agricultural sector, have dramatically impacted on

rural economic dynamics. Central to the liberalization was privatization of processing and marketing including the dismantling of the parastatal marketing boards that have stimulated the intensification of crop cultivation, establishments of local trading centres and ‘local’ reinvestment. The outcomes of these reforms are visible in the four EUC studied.

However, not all village centres established in the 1970s have become EUCs. What our research has shown is that crop-specific value-chain dynamics have stimulated production, income and demographic growth of local village centres. The EUCs have provided new and increasing livelihood opportunities and become places of attraction that act as important migrant destinations for short-term and long-term migrants. While the rural regions where the four EUCs are located, at some point in history have attracted migrants in relation to commercial farming during colonial rule and/or the forced resettlement, it is in particular the post-liberalization immigration trends, encompassing a diverse group of migrants (labour migrants, farmer migrants, business migrants and professionals), that contribute to the demographic growth and gradual densification of the EUC: a densification that further stimulates the economic agility, including farm and non-farm employment opportunities. What the analysis further suggests is that these dynamics over time have become detached from the crop dynamics that was initially setting the transition of the rural villages in motion.

Behind the clear similarities in how the EUCs have developed, the analysis also illustrates differences. The analytical distinction between marketing centres and agro-processing centres shows that while the first type of centres generates more diversified demand for productive capabilities, the latter follows rather different investment and employment logics in relation to the respective restructuring of the value chains: the reorganization of the sugar cane out grower scheme provides more diverse investment and employment opportunities compared to tea. However, how the centres connect to less urbanized rural areas and larger urban centres, markets etc. also add locational dynamics to the initial and subsequent opportunity structures. For example, Igowole continues to be infra-structurally disconnected, while Madizini has increasingly been connected through the past 10 years of road building. This contrasts with the two market centres that with their location on main roads have been well-connected and continuously benefitted from being located at transport corridors.

Considering that the four EUCs are still in the process of obtaining full township status, they serve as examples of the intertwining of rural transformation and urbanization. Add to this the

cumbersome process of becoming acknowledged as and given the full role as governing entities through full implementation of the township structures (by national and district authorities' devolvement of governance structures), the emergence (and existence) of small urban centres are not included in most analyses of 'the migration out of agriculture' referred to in the scholarship of structural transformation (Beegle et al. 2011). Also, local leaders, community groups, and business owners emphasize that because EUCs for long are kept between rural and urban governance they experience many obstacles in economic consolidation and the provision of services and welfare to the growing population (see also Larsen and Birch-Thomsen 2014). What most are emphasizing as barriers in the continuous existence of rural governance related to land use, water and waste management, and taxation – however, of even more critical importance is the inadequacy of manpower in local government to deal with the rapid changes and dynamic needs of the population. Considering their local importance as centres for marketing, business, employment and service provision (also for the rural hinterland), it is critical that this lower end of the urban spectre is attracting more specific attention in planning and governance in Tanzania. However, this might not be seen as a uniquely Tanzanian phenomenon (Roberts, 2014 and 2016). This connects to the reflections in the introduction where it was pointed out, how these 'lower level' urbanization processes do not take up prominent places in documents and agreements around the new urban agenda and the SDG 11.

## Reference list

- Agergaard, J., N. Fold & K. Gough. 2009. *Rural-urban dynamics: livelihoods, mobility and markets in African and Asian frontiers*. Routledge.
- Andreasen, M. H. & J. Agergaard (2016) Residential Mobility and Homeownership in Dar es Salaam. *Population and Development Review*, 42, 95-110.
- Berdegúe, J. A., F. Carriazo, B. Jara, F. Modrego & I. Soloaga (2015) Cities, territories, and inclusive growth: Unraveling urban–rural linkages in Chile, Colombia, and Mexico. *World Development*, 73, 56-71.
- Berdegúe, J. A., T. Rosada & A. J. Bebbington (2014) The rural transformation. *Book chapter*.
- Bryceson, D. F. (2011) Birth of a market town in Tanzania: towards narrative studies of urban Africa. *Journal of Eastern African Studies*, 5, 274-293.
- Christiaensen, L., J. De Weerd & R. Kanbur. 2016. Urbanization and poverty reduction: the role of secondary towns in Tanzania. Universiteit Antwerpen, Institute of Development Policy and Management (IOB).
- Christiaensen, L. & Y. Todo (2014) Poverty reduction during the rural–urban transformation—the role of the missing middle. *World Development*.
- Christiaensen, L., J. Weerd & Y. Todo (2013) Urbanization and poverty reduction: the role of rural diversification and secondary towns<sup>1</sup>. *Agricultural Economics*, 44, 435-447.
- D'haen, S., J. Agergaard & T. Birch-Thomsen. 2013. Demographic Shifts and 'Rural' Urbanization in Tanzania during the 2000s. In *Royal Geographical Society Annual International Conference 2013*. London.
- Dorosh, P. & J. Thurlow (2014) Can cities or towns drive African development? Economywide analysis for Ethiopia and Uganda. *World Development*.
- Fold, N. & C. Tacoli. 2010. Agricultural frontier settlements: markets, livelihood diversification and small town development. . In *Rural-urban dynamics: livelihoods, mobility and markets in African and Asian frontiers*., eds. J. Agergaard, K. V. Gough & N. Fold. London and New York: Routledge.
- Haggblade, S., P. Hazell & T. Reardon (2010) The rural non-farm economy: prospects for growth and poverty reduction. *World Development*, 38, 1429-1441.
- Haggblade, S., P. B. Hazell & T. Reardon. 2007. *Transforming the rural nonfarm economy: Opportunities and threats in the developing world*. Intl Food Policy Res Inst.
- Hazell, P., S. Haggblade & T. Reardon (2007) Structural transformation of the rural nonfarm economy. *Transforming the Rural Nonfarm Economy: Opportunities and Threats in the Developing World*, 83.
- Heinemann, E. 2014. The Changing Rural World and Livelihood Options for Resource-Poor Rural People. In *New Directions for Smallholder Agriculture*, eds. P. B. R. Hazell & A. Rahman. Oxford: Oxford Publisher.
- Ingelaere, B., et al. (2017). Why Secondary Towns Can Be Important for Poverty Reduction – A Migrant's Perspective. Policy Research Working Paper, The World Bank Group.
- Kelly, P. F. (2011) Migration, agrarian transition, and rural change in Southeast Asia: Introduction. *Critical Asian Studies*, 43, 479-506.
- Knudsen, M. H. & J. Agergaard (2015) GHANA'S COCOA FRONTIER IN TRANSITION: THE ROLE OF MIGRATION AND LIVELIHOOD DIVERSIFICATION. *Geografiska Annaler: Series B, Human Geography*, 97, 325-342.



- Larsen, M. N. & T. Birch-Thomsen (2015) The role of credit facilities and investment practices in rural Tanzania: a comparative study of Igowole and Ilula emerging urban centres. *Journal of Eastern African Studies*, 9, 55-73.
- McMillan, M. & D. Headey (2014a) Introduction–Understanding Structural Transformation in Africa. *World Development*.
- McMillan, M. S. & D. Headey (2014b) Special Issue: Economic Transformation in Africa. *World Development* 63, 1-124.
- Minot, N. (2008) Are poor, remote areas left behind in agricultural development: The case of Tanzania. *Journal of African Economies*, 17, 239-276.
- Muzzini, E. & W. Lindeboom (2008) The Urban Transition in Tanzania. *Building the Empirical Base for Policy Dialogue*, World Bank.
- National Bureau of Statistics. 2014. Basic Demographic and SocioEconomic Profile. Key Findings based on 2012 Population and Housing Census. National Bureau of Statistics, the United Republic of Tanzania.
- Owusu, G. (2005) Small Towns in Ghana: Justifications for their Promotion under Ghana's Decentralisation Programme. *African Studies Quarterly*, 8.
- Potts, D. (2012) Challenging the myths of urban dynamics in sub-Saharan Africa: the evidence from Nigeria. *World Development*, 40, 1382-1393.
- Roberts, B. H. (2014). Managing Systems of Secondary Cities. Brussels, Belgium: Cities Alliance/UNOPS
- Roberts, B.H. (2016). Rural Urbanization and the Development of Small and Intermediate Towns, *Regional Development Dialogue*, 35: 1-23.
- Satterthwaite, D. 2006. Outside the Large Cities; The demographic importance of small urban centres and large villages in Africa, Asia and Latin America. London: IIED.
- Satterthwaite, D. & C. Tacoli. 2006. The Role of Small and Intermediate Urban Centres in Regional and Rurl Development: Assumptions and Evidence. In *the Earthscan Reader in Rural-Urban Linkages*, ed. C. Tacoli, 155-183. Earthscan.
- Steel, G. & P. van Lindert. 2017. Rural livelihood transformations and local development in Cameroon, Ghana and Tanzania. In *Working Paper: Rural-Urban Transformation and Food Systems*. IIED.
- Tacoli, C. (2003) The links between urban and rural development. *Environment and Urbanization*, 15, 3-12.
- . 2006. *The Earthscan reader in rural-urban linkages*. Earthscan.
- Tacoli, C. & J. Agergaard. 2017. Urbanisation, rural transformation and food systems: the role of small towns. In *Working Paper: Rural-Urban Transformation and Food Systems*. IIED.
- Wenban-Smith, H. 2015. Population growth, internal migration, and urbanisation in Tanzania, 1967-2012. In *Working Paper*, . International Growth Centre, London School of Economics.
- Wineman, A. & T. Jayne. 2016. Intra-Rural Migration and Pathways to Greater Well-Being: Evidence from Tanzania. In *AFRE Brown Bag Seminar Series, October 11, 2016*. MSU Staff Paper. E. Lansing: Michigan State University.
- World Bank. 2009. *World Development Report 2009: Reshaping economic geography*. Washington DC.



UNIVERSITY OF COPENHAGEN

DEPARTMENT OF GEOSCIENCES AND NATURAL RESOURCE MANAGEMENT

[WWW.IGN.KU.DK](http://WWW.IGN.KU.DK)